

475 17<sup>™</sup> Street Suite 1500 Denver Colorado 80202 Telephone 303 573-1222 Fax 303 573 0461

June 28, 2006

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210 P. O. Box 145801 Salt Lake City, Utah 84114-5801

Attn.: Ms. Diana Whitney

RE: Enduring Resources, LLC

Bitter Creek

SE-SE 25-12S-23E

State Lease: UTU - 77531 Uintah County, Utah

Dear Ms. Whitney:

Enclosed is one original application to drill concerning the above-referenced proposed well.

Enduring Resources, LLC is requesting the Utah Division of Oil, Gas and Mining to hold this application and all future information as confidential.

If any questions arise or additional information is required, please contact me at 303-350-5114.

Very truly yours,

(1)/.2

**ENDURING RESOURCES, LLC** 

Alvin R. (Al) Arlian

Landman-Regulatory Specialist

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**Enclosures:** 

cc: SITLA w/ attachments

RECEIVED
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DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

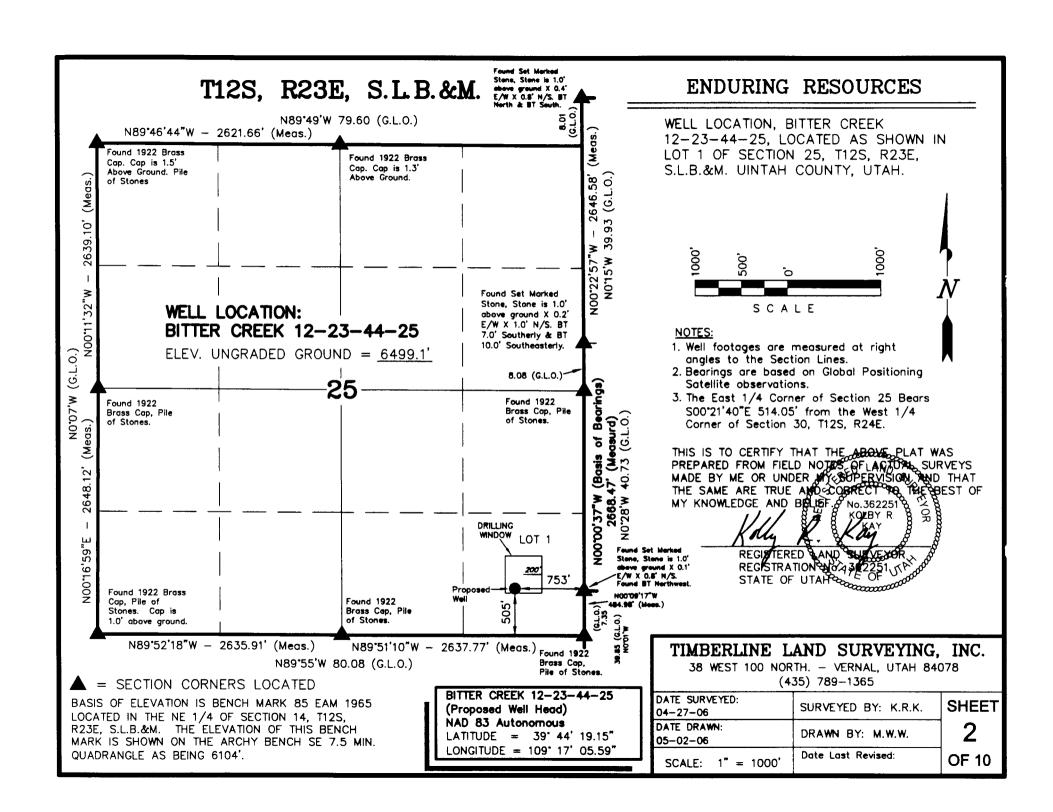
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1A. TYPE OF V	WORK:	DRILL 🗸	REENTER	DEEPEN	ı 🗆			7. IF INDIAN, ALLOTTEE		
B. TYPE OF V	WELL: OIL	GAS 🗸	OTHER	SI	NGLE ZONE 🗌	MULTIPLE ZON	⊫☑	8. UNIT or CA AGREEME	NT NAME:	
	Resources	s, LLC						9. WELL NAME and NUM Bitter Creek 12		<del></del>
3. ADDRESS 0	St., Ste 150	00 <sub>city</sub> Denve	er	TATE CO ZIP 80		PHONE NUMBER: 303) 350-5114		10. FIELD AND POOL, O	R WILDCAT:	
	OF WELL (FOOTA			7× 3	9 7201-			11. QTR/QTR, SECTION		RANGE,
AT PROPOSE	ED PRODUCING			2× 3	109.28	4235		MERIDIAN: SESE 25	12S 23	ΙE
		IRECTION FROM NEA	REST TOWN OR F	POST OFFICE:				12. COUNTY:	13. ST	
		Bonanza, UT	INE (EEET)	16 AUMPED C	OF ACRES IN LEASE:			Uintah		UTAH
505'		OF ENTI ON LEASE E	VE (FEE1)	IO. NUMBER C	OF ACRES IN LEASE:	640	17. NUI	MBER OF ACRES ASSIG		WELL: 10 acres
18. DISTANCE	TO NEAREST WE	ELL (DRILLING, COMP	LETED, OR	19. PROPOSEI	D DEPTH:	0.0	20. BOI	ND DESCRIPTION:		
1000' +						6,421	RLi	30008031		
21. ELEVATION 6513'	IS (SHOW WHET RT-KB	HER DF, RT, GR, ETC	.):	22. APPROXIM 8/1/2006	IATE DATE WORK W	ILL START:		MATED DURATION:	_	
24.			PROPO	SED CASING A		NG PROGRAM	200	au y s		
SIZE OF HOLE	CASING SIZ	E, GRADE, AND WEIG		SETTING DEPTH		<del></del>	NTITY, Y	ELD, AND SLURRY WEIG	SHT	
20"	14"	line pipe		40	3 yards		Ready			
11"	8-5/8"	J-55	24#	2,000	Premium Le	ad	183	sxs 3.	50	11.1
					Premium Ta	il	183	sxs 1.	15	15.8
7-7/8"	4-1/2"	N-80	11.6#	6,421	Class G		47	sxs 3	3.3	11.0
	ļ				50/50 Poz C	lass G	764	sxs 1.	56	14.3
									········	
25.				ATTA	CHMENTS					
VERIFY THE FOL	LLOWING ARE A	TTACHED IN ACCORD	ANCE WITH THE	UTAH OIL AND GAS CO	ONSERVATION GENE	ERAL RULES:				
WELL PL	AT OR MAP PRE	PARED BY LICENSED	SURVEYOR OR E	ENGINEER	✓ COMPLI	ETE DRILLING PLAN				
<b>V</b> EVIDENC	CE OF DIVISION (	OF WATER RIGHTS A	PPROVAL FOR US	SE OF WATER	FORM 5	, IF OPERATOR IS PER	SON OR	COMPANY OTHER THAN	THE LEASE	OWNER
	<del></del>									
NAME (PLEASE F	PRINT) Alvin	R. (AI) Arlian			TITLE L	_andman - Reg	ulator	y Specialist		
SIGNATURE _		12/			DATE 6	6/28/2006				
his space for Stat	.,	13-047-25	72 ST	<b>∰</b> ••° 3		d by the vision of and Mining		REC	EIVEI	

(11/2001)

**Ideral Approval** of this ction is Necessary

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DIV. OF OIL, GAS & MINING



### **SELF-CERTIFICATION STATEMENT**

The following self-certification statement is provided per federal requirements dated June 15, 1988.

Please be advised that Enduring Resources, LLC is considered to be the operator of the following well.

Bitter Creek 12-23-44-25

Surface Location: SESE Sec. 25-T12S-R23E

505' FSL – 753' FEL Uintah County, Utah

Lease Serial No.: UTU-77531

Enduring Resources, LLC is responsible under the terms and conditions of the lease for the operations conducted upon leased lands. Bond coverage is provided by UTB000173.

June 28, 2006

Alvin R. (Al) Arlian

Landman - Regulatory Specialist

Enduring Resources, LLC 475 17th Street, Suite 1500

Denver, CO 80202 (303) 350-5114

### Enduring Resources, LLC Bitter Creek 12-23-44-25 SE-SE 25-12S-23E Uintah County, Utah

State Lease: UTU - 77531

#### **ONSHORE ORDER 1 - DRILLING PLAN**

#### 1. Estimated Tops of Geological Markers:

Formation	Depth (K.B.)			
Uinta	Surface			
Green River	489			
Wasatch	2633			
Mesaverde	4048			

### 2. <u>Estimated Depths of Anticipated Water, Oil, Gas or Other Minerals:</u>

Substance	Formation	Depth (K.B.)
	KB-Uinta Elevation: 6513'	
Oil / Gas	Green River	489
Oil /Gas	Wasatch	2633
Oil /Gas	Mesaverde	4048
0117000	Estimated TD	6421

A 11" hole will be drilled to approximately 2000 feet. The depth will be determined by the depth that the Birds Nest zone is encountered. The hole will be drilled 400 feet beyond the top of the Birds Nest zone and surface casing will be set.

### 3. Pressure Control Equipment: (3000 psi schematic attached)

- A. Type: Eleven (11) inch double gate hydraulic BOP with eleven (11) inch annular preventer on 3,000 psi casinghead, with 3,000 psi choke manifold equipped per the attached diagram. BOPE as specified in *Onshore Oil & Gas Order Number 2*. A PVT, stroke counter and flow sensor will be installed to check for flow and monitor pit volume.
- B. Pressure Rating: 3,000 psi BOPE
- C. Kelly will be equipped with upper and lower Kelly valves.
- D. Testing Procedure: Annular Preventer

At a minimum, the annular preventer will be pressure tested to 50% of the stack rated working pressure for a period of ten (10) minutes or until provisions of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the annular preventer is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs; and
- 4. At thirty (30) day intervals.

In addition to the above, the annular preventer will be functionally operated at least weekly.

#### **Blow-Out Preventer**

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

- 1. When the BOP is initially installed;
- 2. Whenever any seal subject to test pressure is broken;
- 3. Following related repairs, and
- 4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day. All BOP drills and tests will be recorded in the IADC driller's log.

### E. Miscellaneous Information:

The blowout preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of *Onshore Oil & Gas Order Number 2*.

### 4. Proposed Casing & Cementing Program:

### A. Casing Program: All New

Hole Size	Casing Size	Wt./Ft.	Grade	Joint	Depth Set (MD)
20"	14" O.D.				40' (GL)
11"	8-5/8"	24#	J-55	ST&C	0 – 2,016' (KB) est.
7-7/8"	4-1/2"	11.6#	N-80	LT&C	0 – 6421' (KB)

The surface casing will have guide shoe, 1 joint, insert float collar. Centralize the shoe joint with bowspring centralizers in the middle and top of the joint and the next16 joints with bowspring centralizers on every other collar (8 centralizers total). Thread lock guide shoe.

Casing string(s) will be pressure tested to 0.22 psi/foot of casing string length or 1500 psi, whichever is greater (not to exceed 70% of the internal yield strength of the casing), after cementing and prior to drilling out from under the casing shoe.

### B. Casing Design Parameters:

Depth (MD)	Casing	Collapse(psi)/SF	Burst (psi)/SF	Tension(mlbs)/SF
40' (GL)	14" OD			
2016' (KB)	8-5/8", 24#/ft, J55, STC	1370/1.52(a)	2950/3.28(b)	244/5.81(c)
6421' (KB)	4-1/2", 11.6#/ft, N-80, LTC	6350/1.90 (d)	7780/2.54 (e)	223/3.48(f)

- (a.) based on full evacuation of pipe with 8.6 ppg fluid on annulus
- (b.) based on 8.6 ppg gradient with no fluid on annulus
- (c.) based on casing string weight in 8.6 ppg mud
- (d.) based on full evacuation of pipe with 10.0 ppg fluid on annulus
- (e.) based on 9.2 ppg gradient, gas to surface, with no fluid on annulus, no gas gradient
- (f.) based on casing string weight in 9.2 ppg mud

#### PROPOSED CEMENTING PROGRAM

### Surface Casing (if well will circulate)-Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	sxs	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
8-5/8"	Lead	1516	Premium cement + 16% gel + 0.25 pps celloflake	138	25%	11.1	3.50
8-5/8"	Tail	500	Premium cement + 2% CaC <sub>2</sub> + 0.25 pps celloflake	138	25%	15.8	1.15

A cement top job is required if cement fallback is greater than 10' below ground level. Top job (weight 15.8 ppg, yield 1.15 ft<sup>3</sup>/sx) cement will be premium cement w/ 3% CaCl<sub>2</sub>.+0.25 pps celloflake. Volume as required

### Surface Casing (if well will not circulate) - Cemented to surface

CASING	SLURRY	FT. of FILL	CEMENT TYPE	sxs	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
8-5/8"	Lead	500	Premium cement + 2% CaCl <sub>2</sub> + 0.25 pps celloflake	138	25	15.8	1.15
8-5/8"	Top job	As req.	Premium cement + 3% CaCl <sub>2</sub> + 0.25 pps celloflake	As Req.		15.8	1.15

### Production Casing and Liner - Cemented TD to 300' above base of surface casing

CASING	SLURRY	FT. of FILL	CEMENT TYPE	SXS	EXCESS (%)	WEIGHT (ppg)	YIELD (ft <sup>3</sup> /sx)
4-1/2"	Lead	517	Class "G" + 5% NaCl + 12% Gel + 0.25 pps celloflake + 0.2% antifoam + 0.25% fluid loss + 1% extender	47	25	11.0	3.3
4-1/2"	Tail	4188	50/50 POZ Class G + 2% gel +1% CaCl <sub>2</sub> + 0.2% dispersant + 0.2% fluid loss + 0.1% antifoam	764	25	14.3	1.56

Cement volumes for the 4-1/2" Production Casing will be calculated to provide a top of cement to 300' above base of surface casing. Cement volumes are approximate and were calculated under the assumption that a gauge hole will be achieved. Actual cement volumes may vary due to variations in the actual hole size and will be determined by running a caliper log on the drilled hole. Actual cement types may vary due to hole conditions and cement contractor used.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

#### **Drilling Fluids (mud) Program:** 5.

Interval (MD)	Mud Weight	Fluid Loss	Viscosity	Mud Type
0' – 2016' (KB)		No cntrl		Air/mist
2000'-3000' (KB)	8.4-8.6	No cntrl	28-36	Water
3000'-6421' (KB)	8.8-9.8	8 - 10 ml	32-42	Water/Gel

Sufficient mud material(s) to maintain mud properties, control lost circulation and contain a blowout will be available at the well site during drilling operations.

#### **Evaluation Program:** 6.

No tests are currently planned. Tests:

No cores are currently planned. Coring:

No sampling is currently planned. Samples:

#### Logging

- Dual Induction SFL /Gamma Ray/Caliper/SP/TDLT/CNL/ML TD to Base Surface Casing
- Cement Bond Log / Gamma Ray: TD to Base of Surface Casing or Top of Cement if below Base of Surface Casing

Stimulation: A stimulation or frac treatment will be designed for completion of this well based on openhole log analysis. The drill site, as approved, will be sufficient size to accommodate all completion activities.

#### **Abnormal Conditions:** 7.

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered or known to exist from previous wells drilled to similar depths in the general area.

Maximum anticipated bottom hole pressure equals approximately 3,339 psi (calculated at 0.52psi/foot of hole) and maximum anticipated surface pressure equals approximately 1,926 psi (anticipated bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot of hole).

#### **Anticipated Starting Dates:** 8.

Within one year of APD issue. Anticipated Commencement Date-

Approximately 10 days Drilling Days-

Approximately 10 days Completion Days

• Anticipate location construction within 30 days of permit issue.

#### 9. Variances:

None anticipated

#### Other: 10.

A Cultural Resource Inventory and Paleontology reconnaissance shall be conducted for the well location, access route and pipeline. The reports shall be submitted to the Division of Oil, Gas and Mining and the School and Institutional Trust lands Administration upon their receipt.

Single Shot directional surveys will be dropped every 2000 feet to monitor hole angle.

# ENDURING RESOURCES Bitter Creek 12-23-44-25 Section 25, T12S, R23E, S.L.B.&M.

FROM THE INTERSECTION OF U.S. HIGHWAY 40 AND 500 EAST STREET IN VERNAL, UTAH PROCEED IN AN EASTERLY THEN SOUTHERLY DIRECTION ALONG U.S. HIGHWAY 40 APPROXIMATELY 3.3 MILES TO THE JUNCTION OF STATE HIGHWAY 45; EXIT RIGHT AND PROCEED IN A SOUTHERLY DIRECTION ALONG STATE HIGHWAY 45 APPROXIMATELY 40.5 MILES TO THE JUNCTION OF THE DRAGON ROAD (COUNTY B ROAD 4180). THIS ROAD IS LOCATED APPROXIMATELY 4.5 MILES SOUTH OF BONANZA, UTAH. EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4180 APPROXIMATELY 4.0 MILES TO THE JUNCTION OF THE KINGS WELLS ROAD (COUNTY B ROAD 4190). EXIT RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 8.7 MILES TO THE JUNCTION OF THE ATCHEE RIDGE ROAD (COUNTY B ROAD 4270). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 4.3 MILES TO THE JUNCTION OF THE LONG DRAW ROAD (COUNTY B ROAD 4260). CONTINUE ALONG COUNTY B ROAD 4190 IN A SOUTHERLY, THEN WESTERLY DIRECTION APPROXIMATELY 4.0 MILES TO THE JUNCTION OF COUNTY B ROAD 4160. CONTINUE IN A SOUTHERLY DIRECTION ALONG COUNTY B ROAD 4190 APPROXIMATELY 1.8 MILES TO THE JUNCTION OF THE BIG PARK ROAD (COUNTY B ROAD 4330). EXIT LEFT AND PROCEED IN A SOUTHEASTERLY DIRECTION ALONG COUNTY B ROAD 4330 APPROXIMATELY 1.1 MILES TO THE INTERSECTION OF A COUNTY D ROAD TO THE SOUTH; EXIT RIGHT AND PROCEED ALONG COUNTY D ROAD APPROXIMATELY 2.0 MILES IN A SOUTHERLY DIRECTION TO THE PROPOSED ACCESS ROAD; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 295 FEET TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 69.8 MILES IN A SOUTHEASTERLY DIRECTION.

### **Enduring Resources, LLC**

### Bitter Creek 12-23-44-25

SE- SE-25-12S-23E Uintah County, Utah State Lease: ML-77531

### **MULTI-POINT SURFACE USE & OPERATIONS PLAN**

### 1. Existing Roads:

Directions to the Bitter Creek 12-23-44-25 Well Pad

From the intersection of the U.S. Highway 40 and 500 East Street in Vernal, Utah proceed in an easterly then southerly direction along U.S. highway 40 approximately 3.3 miles to the junction of state highway 45; exit right and proceed in a southerly direction along state highway 45 approximately 40.5 miles to the junction of the Dragon Road (County B Road 4180). This road is located approximately 4.5 miles south of Bonanza Utah. Exit left and proceed in a southeasterly direction along County B Road 4180 approximately 4.0 miles to the junction of the Kings Well Road (County B Road 4190). Exit right and proceed in a southwesterly direction along County B Road 4190 approximately 8.7 miles to the junction of the Atchee Ridge Road (County B Road 4270). Continue along County B Road 4190 in a southwesterly direction approximately 4.3 miles to the junction of The Long Draw Road (County B Road 4260). Continue along County B Road 4190 in a southerly, then westerly direction approximately 4.0 miles to the junction of County B Road 4160. Continue in a southerly direction along County B Road 4190 approximately 1.8 miles to the junction of the Big Park Road (County B Road 4330). Exit left and proceed in a southeasterly direction along County B Road 4330 approximately 1.1 miles to the intersection of a County D Road to the south; Exit right and proceed along County D Road approximately 2.0 miles in a southerly direction to the proposed access road; follow road flags in a northeasterly direction approximately 295 feet to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 69.8 miles in a southeasterly direction.

### 2. Planned Access Roads:

The proposed access road will be approximately 295 feet of new construction all onlease. Also two proposed road re-route's approximately 595 feet around proposed well pad# 12-23-21-25, and 594 feet off-lease around proposed well pad# 12-23-24-24

### ALL NEW CONSTRUCTION IS ON BLM LANDS.

The proposed access road will be utilized to transport personnel, equipment and supplies to and from the proposed well site during drilling, completion and production operations. The road will be utilized year round.

The access road will be crowned 2% to 3%, ditched and constructed with a running surface of 18 feet and a maximum disturbed width of 30 feet right-of-way. Maximum grade of road is 5% or less. Graveling or capping the roadbed will be performed as

necessary to provided a well constructed, safe road. No fence crossings, culverts, turnouts, cattle guards or major cuts and fills are required. Prior to construction or upgrading, the proposed road shall be cleared of any snow and allowed to dry completely.

Surface disturbance and vehicular traffic will be limited to the proposed location and proposed access route. Any additional area needed will be approved in advance. All construction shall be in conformance with the standards outlined in the BLM and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. 1989.

The road surface and shoulders will be kept in a safe usable condition and will be maintained in accordance with the original construction standards. All drainage ditches will be kept clear and free flowing and will be maintained according to original construction standards. The access road surface will be kept free of trash during All traffic will be confined to the approved disturbed surface. drainage crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided. When snow is removed from the road during the winter months, the snow shall be pushed outside of the borrow ditches and the turnouts kept clear so that snowmelt will be channeled away from the road.

### Location of Existing Wells within a One-Mile radius (See "Topo" Map "C" 3. attached):

The following wells are wells located within a one (1) mile or greater radius of the proposed location.

Water Wells: None: a.

Injection Wells: None: b.

**Producing Wells:** None: C.

**Drilling Wells:** None: d. Shut-in Wells: None: e.

Temporarily Abandoned Wells: None: f.

Disposal Wells: None: g. Abandoned Wells: One: h.

Dry Holes: None: i.

Observation Wells: None: j. Pending (staked) Wells: Three: k.

Enduring has three other wells staked in this section.

- 3 -

#### **Location of Existing and/or Proposed Facilities:** 4.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks and/or heater treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

All permanent (on site for six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earth tone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Inter-Agency Committee.

All facilities will be painted within 6 months of installation. The color shall be designated by BLM. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Gas Gathering Pipeline for this well will be:

BLM On-Lease Surface Pipeline 1,120"

If this well is capable of economic production, a 4" (or less) steel surface gas gathering line and related equipment shall be installed. The surface gas gathering line shall be in use year round. A total of approximately less than 1,120 feet of surface gas gathering pipeline shall be laid on the surface to minimize surface disturbance:

The proposed pipeline will begin at the well site; and be laid on the surface next to the new access road to tie-in to a steel surface pipeline that is located next to the county road.

The meter run will be housed. The gas gathering line will be buried or anchored down from the wellhead to the meter.

Upon plugging and abandonment, the gas gathering line will be removed and the disturbed area will be re-contoured and restored as near as practical to the original condition. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

#### **Location and Type of Water Supply:** 5.

Whenever practical, water will be obtained from Enduring Resources LLC Water Right Number 49-2215 or Water Right Number 49-2216 (\*See Townships of permitted Use below). If those sources are not available, a new water source shall be submitted prior to commencing operations. (These permits have one-year terms and then must be renewed)

\*Enduring Water Permits' Townships of Use:

Water will be hauled to the location over the roads marked on "Topo" Maps "A" and "B."

No water well is to be drilled on this lease.

#### Source of Construction Materials: 6

Surface and subsoil materials in the immediate area will be utilized for location and access road construction.

Any gravel will be obtained from a commercial source; however, gravel sized rock debris associated with location and access road construction may be used as access road surfacing material.

#### **Methods of Handling Waste Materials:** 7.

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exits or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, brake or allow discharge of liquids.

The reserve pit will be lined with 1/4 felt and a minimum of 16 mm plastic with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the will be disposed of in the pit.

A chemical portable toilet will be furnished with the drilling rig. The toilet will be replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Vernal Wastewater Treatment Facility in accordance with state and county regulations.

Garbage, trash and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash well is burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported or disposed of in association with the drilling, completion or testing of this well.

Produced oil will be stored in an oil tank and then hauled by truck to a crude purchaser facility. Any produced water from the proposed well will be contained in a water tank and will then be hauled by truck to an approved disposal site.

#### **Ancillary Facilities:** 8.

During drilling operations, approximately 20 days, the site will be a manned camp. Three or four additional trailers will be on location to serve as the crews' housing and eating facilities. These will be located on the perimeter of the pad site within the topsoil stockpiles. Refer to Sheet 4.

#### Well Site Layout: (Refer to Sheets #3, #4, and #5) 9.

The attached Location Layout Diagrams described drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s) and surface material stockpiles(s).

Please see the attached diagram for rig orientation and access roads.

The top soil will be windrowed rather than piled. It will be reseeded and track walker at the time the location is constructed. Seeding will be with the determined during the onsite. (Refer to "Seed Mixture for Windrowed Top Soil Will included:" following herein.

The top soil removed from the pit area will be store separately and will not be reseeded until the pit is reclaimed.

All pits shall be fence to the following minimum standards:

- 39 inch net wire shall be used with at least one strand of barbed wire on top of a. the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- The net wire shall be no more than 2 inches above the ground. The barbed wire b. shall be 3 inches over the new wire. Total height of the fence shall be at least 42 inches.
- Corner posts shall be cemented and/or braced in such a manner to keep the C. fence tight at all times.
- Standard steel, wood or pipe posts shall be used between the corner braces. d. Maximum distance between any two fence posts shall be no greater than 16 feet.
- All wire shall be stretched by, using a stretching device, before it is attached to e. corner posts.
- The reserve pit fencing will be on three sides during drilling operations and on f. the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.
- Location size may change prior to drilling the well due to the current rig g. availability. If the proposed location is not large enough to accommodate the drilling, the location will be re-surveyed and a Form 9 will be submitted.

#### Plans for Surface Reclamation: 10.

### **Producing Location:**

- Immediately upon well completion the location and surrounding area will be a. cleared of all unused tubing, equipment, materials, trash and debris not required for production.
- Immediately upon well completion any hydrocarbons in the pit shall be removed b. in accordance with 40CFR 3162.7.
- Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and C. spoil materials will be disposed of immediately upon completion of operations.
- The reserve pit and that portion of the location not needed for production d. facilities/operations will be re-contoured to the approximated natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.
- To prevent surface water(s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface 3 e. feet above surrounding round surface to allow the reclaimed pit area to drain effectively.
- Upon completion of back filling, leveling and re-contouring, the stockpiled topsoil f. will be spread evenly over the reclaimed area(s).

### **Dry Hole/Abandoned Location:**

- i. Abandoned well sites, roads and other disturbed areas will be restored as nearly as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions and re-establishment of vegetation as specified.
- ii. All disturbed surfaces will be re-contoured to the approximated natural contours with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. If necessary, re-seeding operations will be performed after completion of other reclamation operations.

### Seed Mixture for Windrowed Top Soil Will Included:

Pursuant of BLM.

#### Surface Ownership: Location, Access and Pipeline Route: 11.

Wellsite: BLM

BLM Access:

Pipeline: BLM

#### Other Information 12.

### On-site Inspection for Location, Access and Pipeline Route:

The on-site was conducted on June 14, 2006.

Attendees:

BLM Melissa Hawk BLM Brandon McDonald

Timberline Kolby Kay Ponderosa Mike Stewart

**Enduring Resources** Doug Hammond

### **Special Conditions of Approval:**

- Tanks and Production Equipment shall be painted pursuant of BLM.
- Surface Gathering Pipeline shall be 4" or less

### **Archeology:**

A Cultural Resource Inventory Report is pending and to be prepared by a. Montgomery Archaeological Consultants.

#### Paleontology:

a. A Paleontology Reconnaissance Report is pending and to be prepared by Intermountain Paleo-Consulting.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the Antiquities Act of June 8, 1906) are discovered, all operations which would affect such sites will be suspended and the discovery reported promptly to the surface management agency.

### 13, <u>Lessee's or Operator's Representatives:</u>

### Representatives:

Alvin R. (Al) Arlian
Landman – Regulatory Specialist
Enduring Resources, LLC
475 17<sup>th</sup> Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-350-5114
Fax Tel: 303-573-0461

Fax Tel: 303-573-0461 aarlian@enduringresources.com

Teme Singleton
Drilling Engineer
Enduring Resources, LLC
475 17<sup>th</sup> Street, Suite 1500
Denver, Colorado 80202
Office Tel: 303-573-5711
Fax Tel: 303-573-0461

tsingleton@enduringresources.com

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his/her/its subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A complete copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

The operator or his/here/its contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

#### Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Enduring Resources, LLC and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Please be advised that Enduring Resources, LLC is considered to be the operator of the Bitter Creek 12-23-44-25 Well; SE/4SE/4 Section 25, Township 12 South, Range 23 East; Lease #: UTU-77531 Uintah County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM Statewide Oil & Gas Lease Bond No. UTB000173 and State of Utah , Division of Oil, Gas & Mining Surety Bond No. RLB0008031

### **ENDURING RESOURCES, LLC**

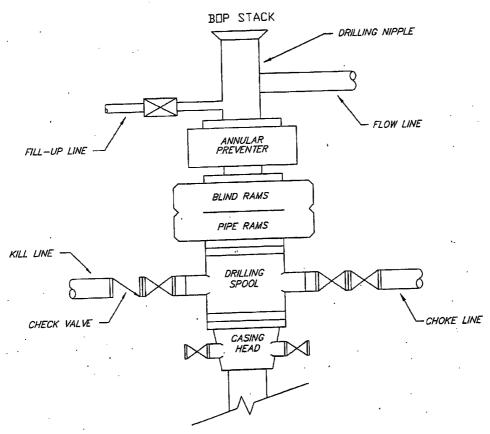
Alvin R. (Al) Arlian,

Landman – Regulatory Specialist

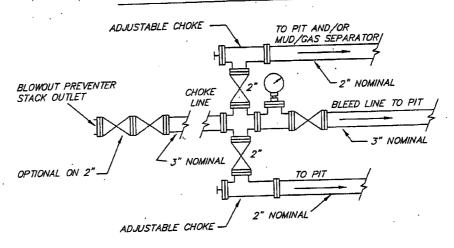
June 28, 2006

### ENDURING RESOURCES, LLC

TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



#### TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC



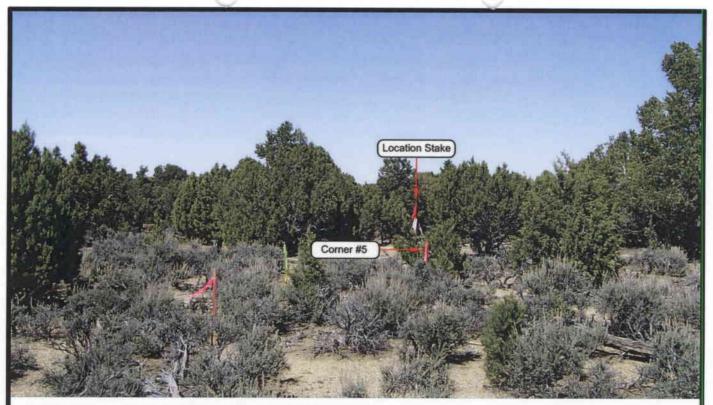


PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

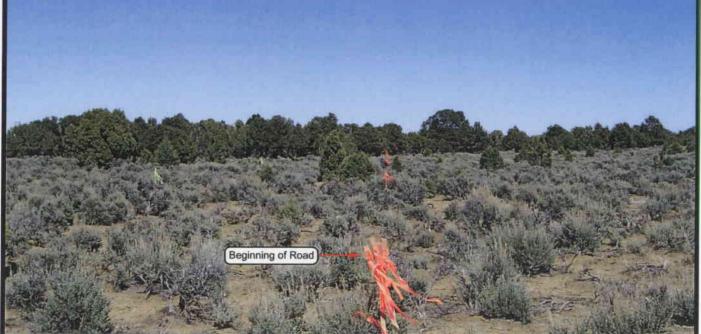


PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

### **ENDURING RESOURCES**

Bitter Creek 12-23-44-25 SECTION 25, T12S, R23E, S.L.B.&M.

### LOCATION PHOTOS

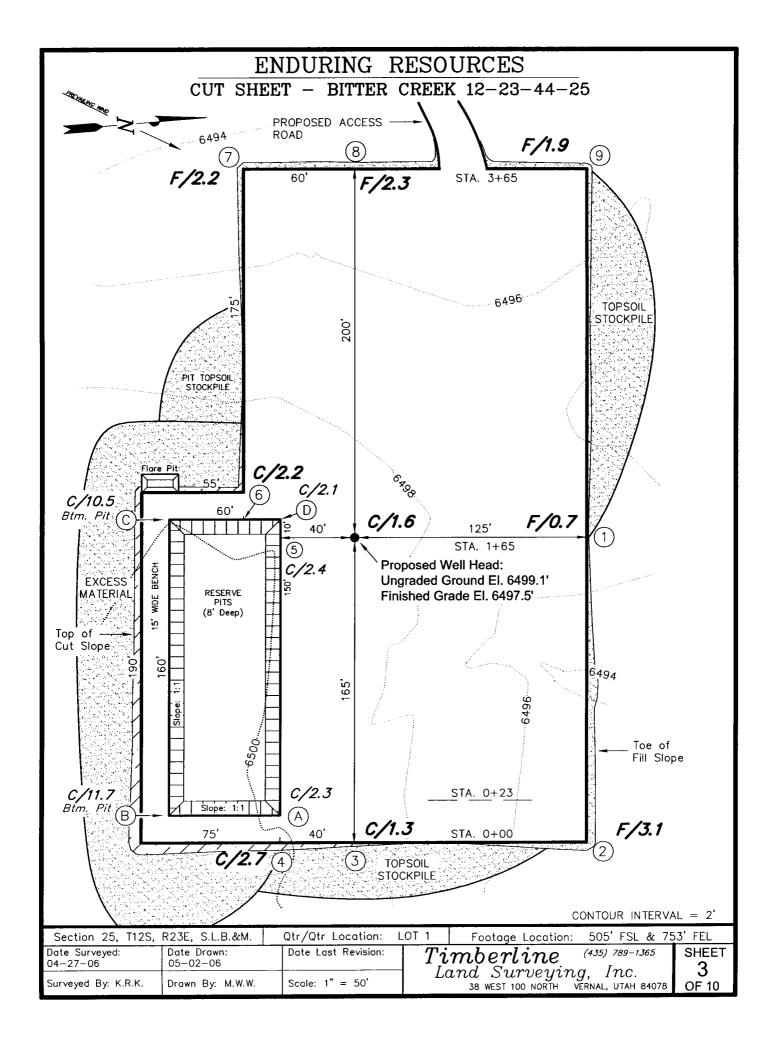
DATE TAKEN: 04-27-06 DATE DRAWN: 05-03-06

TAKEN BY: K.R.K. DRAWN BY: M.W.W.

REVISED:

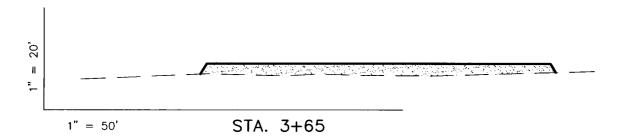
Timberline Land Surveying, Inc. 38 West 100 North Vernal, Utah 84078 (435) 789-1365

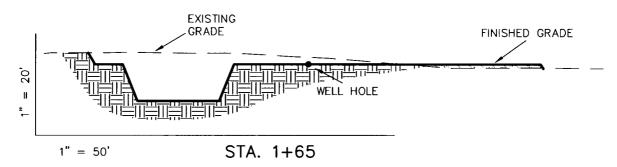
SHEET OF 10

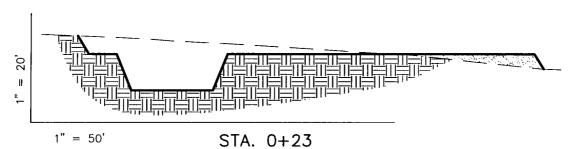


### **ENDURING RESOURCES**

#### CROSS SECTIONS - BITTER CREEK 12-23-44-25







NOTE: UNLESS OTHERWISE NOTED ALL CUT/FILL SLOPES ARE AT 1.5:1



STA. 0+00

#### REFERENCE POINTS

175' NORTHERLY = 6496.4'

225' NORTHERLY = 6495.8'

215' EASTERLY = 6499.2'

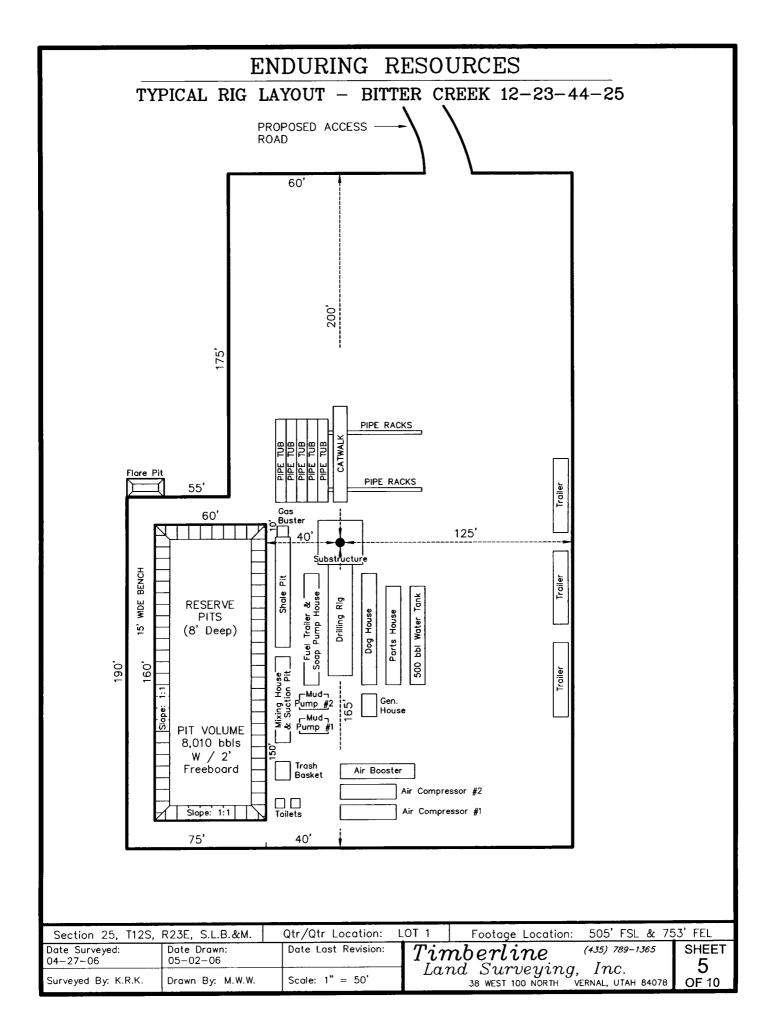
265' EASTERLY = 6500.5'

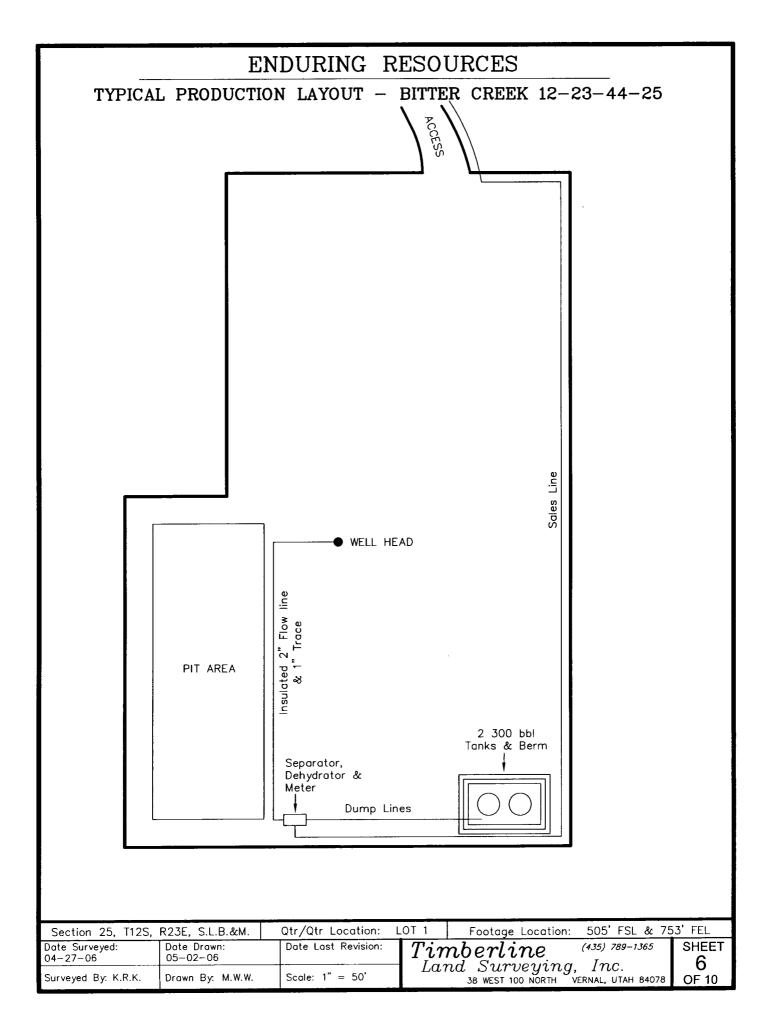
### ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

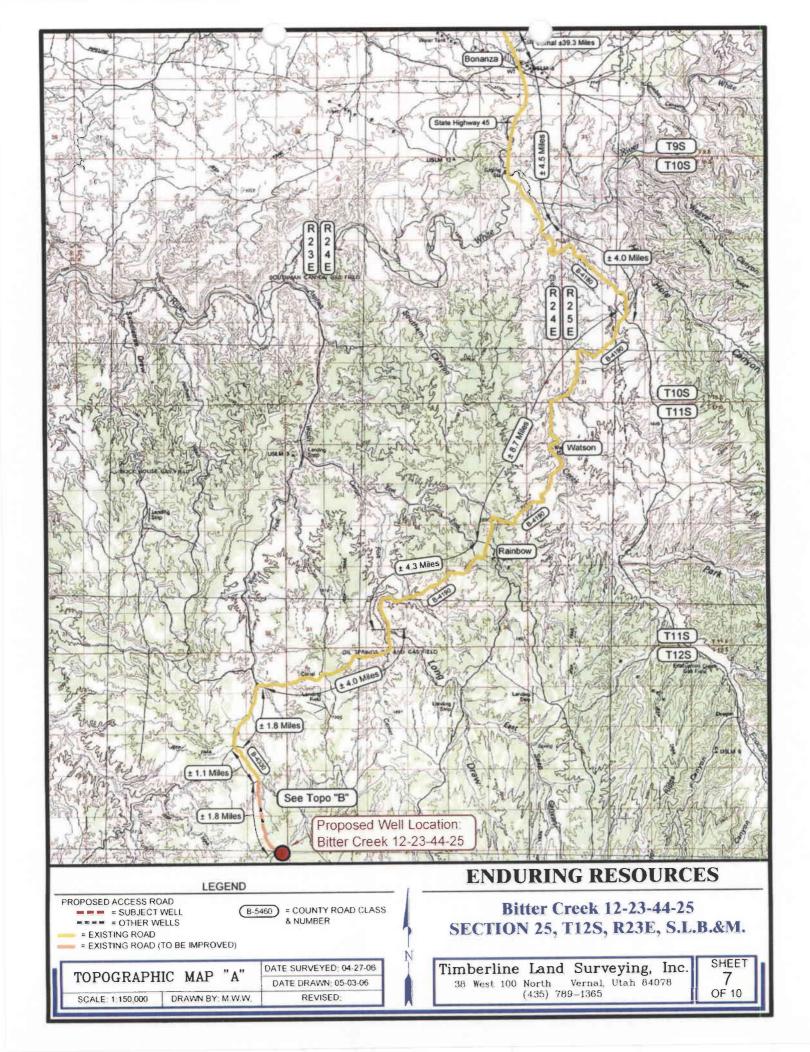
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	1,820	2,990	Topsoil is not included	-1,170
PIT	2,340	0	in Pad Cut	2,340
TOTALS	4,160	2,990	1,440	1,170

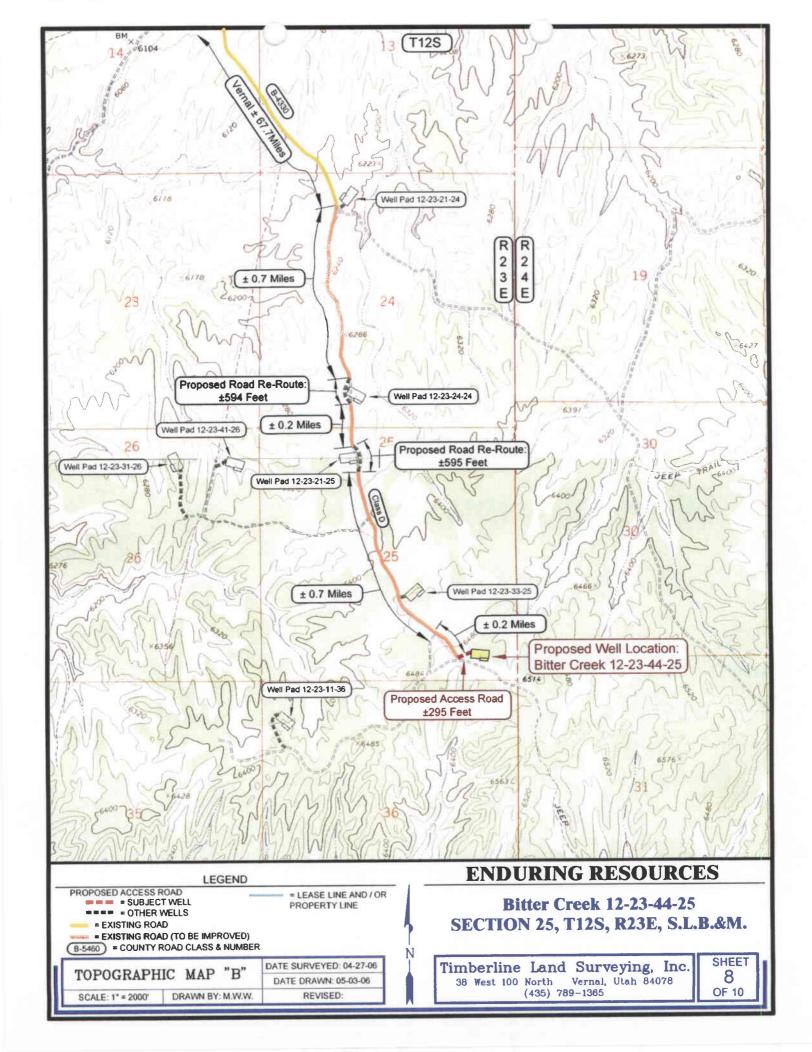
Excess Material after Pit Rehabilitation = 0 Cu. Yds.

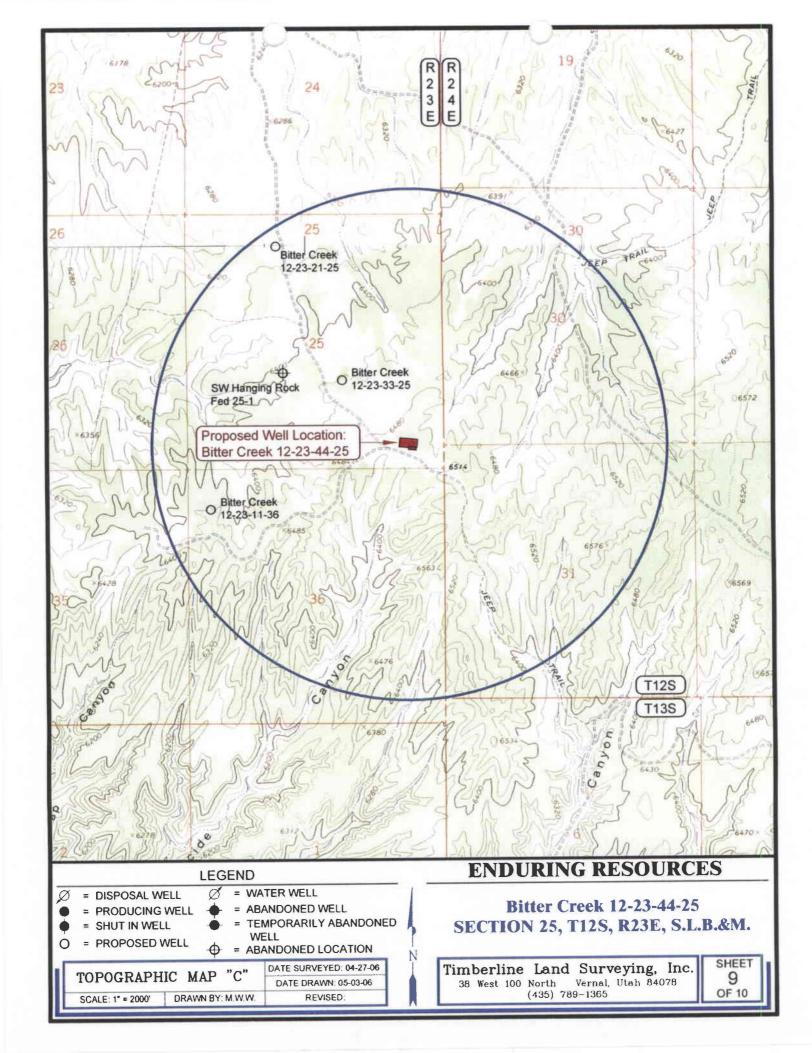
Section 25, T12S,	R23E, S.L.B.&M.	Qtr/Qtr Location: L	OT 1	Footage Location: 505' FSL & 7	3' FEL
Date Surveyed: 04-27-06	Date Drawn: 05-02-06	Date Last Revision:			SHEET
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	Lan	nd Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078	<b>4</b> OF 10

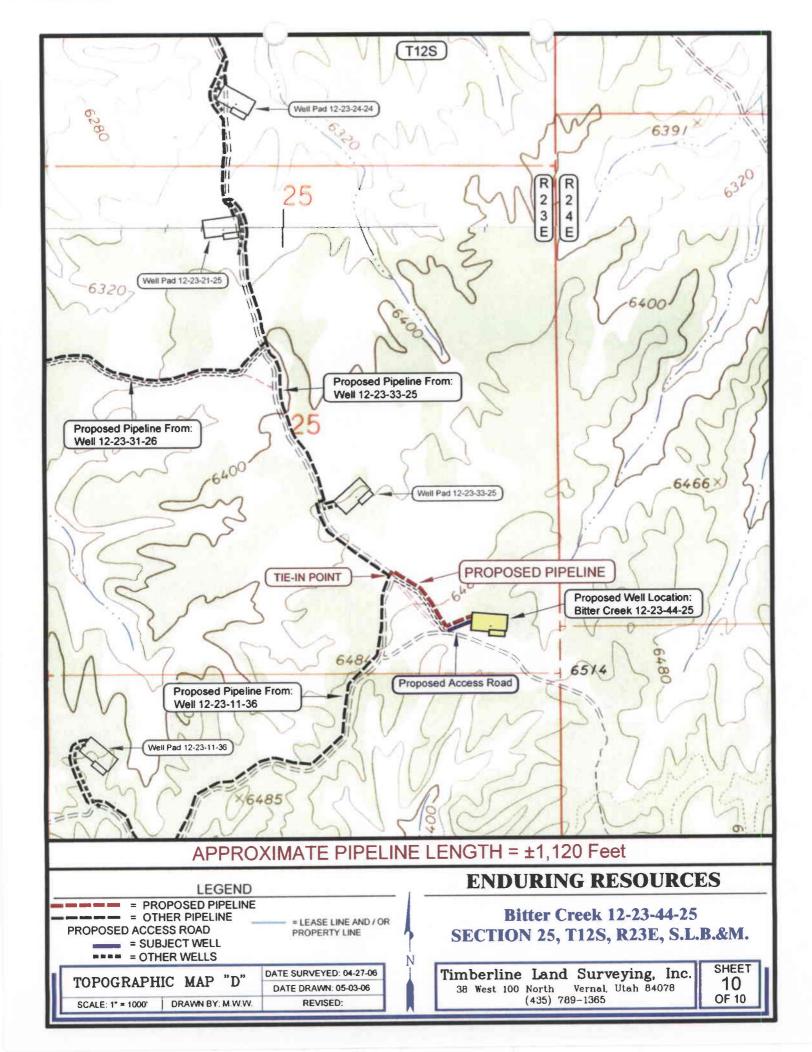






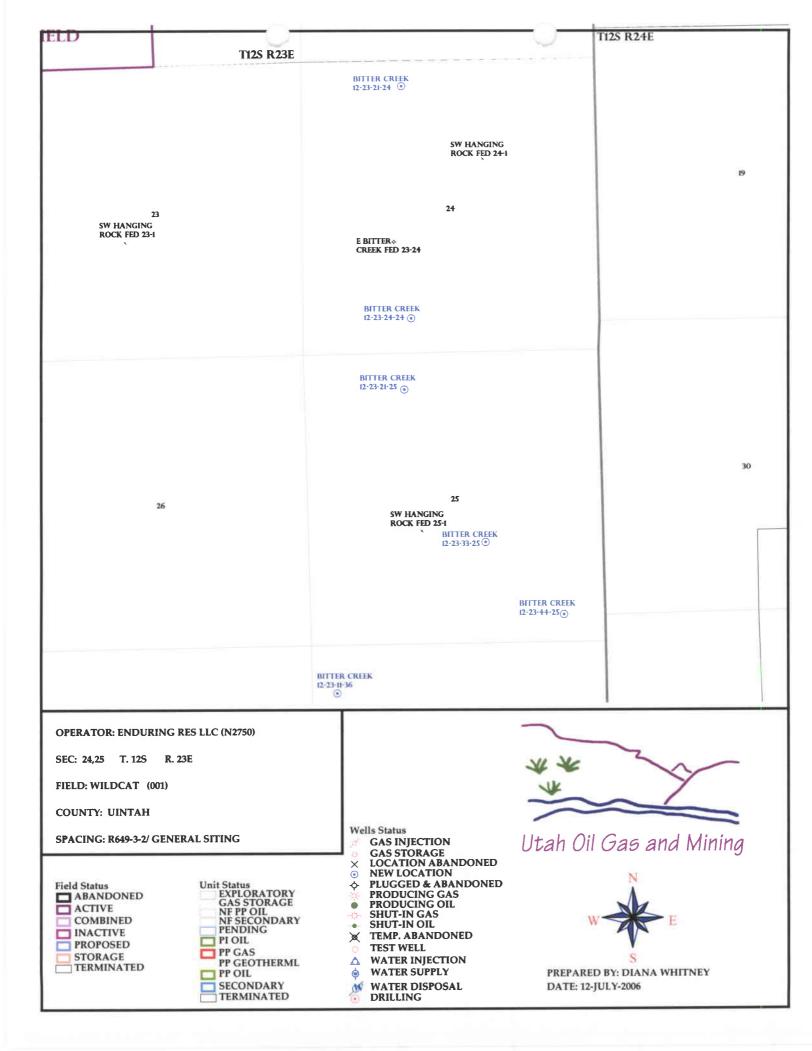






# WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/03/2006	API NO. ASSIGNED: 43-047-38357			
WELL NAME: BITTER CREEK 12-23-44-25  OPERATOR: ENDURING RESOURCES, LLC ( N2750 )  CONTACT: AL ARLIAN	PHONE NUMBER: 303-350-5114			
PROPOSED LOCATION:	INSPECT LOCATN BY: / /			
SESE 25 120S 230E	Tech Review Initials Date			
SURFACE: 0505 FSL 0753 FEL BOTTOM: 0505 FSL 0753 FEL	Engineering			
COUNTY: UINTAH	Geology			
LATITUDE: 39.73868 LONGITUDE: -109.2842	Surface			
UTM SURF EASTINGS: 647022 NORTHINGS: 43999 FIELD NAME: WILDCAT ( 1				
LEASE TYPE: 1 - Federal  LEASE NUMBER: UTU-77531  SURFACE OWNER: 1 - Federal  RECEIVED AND/OR REVIEWED:	PROPOSED FORMATION: MVRD COALBED METHANE WELL? NO LOCATION AND SITING:			
√ Plat	R649-2-3.			
Bond: Fed[1] Ind[] Sta[] Fee[]	Unit:			
(No. RLB0008031 )	√ R649-3-2. General			
N Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13	Siting: 460 From Qtr/Qtr & 920' Between Wells			
Water Permit	R649-3-3. Exception			
(No. 49-2215 ) RDCC Review (Y/N)	Drilling Unit			
(Date:)	Board Cause No:			
Fee Surf Agreement (Y/N)	Siting:			
N# Intent to Commingle (Y/N)	R649-3-11. Directional Drill			
STIPULATIONS: 1- Laura Cappener Stor				





#### State of Utah

# Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

July 12, 2006

Enduring Resources, LLC 475 17th St., Ste. 1500 Denver, CO 80202

Re:

Bitter Creek 12-23-44-25 Well, 505' FSL, 753' FEL, SE SE, Sec. 25,

T. 12 South, R. 23 East, Uintah County, Utah

#### Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38357.

Sincerely,

Gil Hunt

Associate Director

Sie HI

pab Enclosures

cc:

**Uintah County Assessor** 

Bureau of Land Management, Vernal District Office

Operator:	Enduring Resources, LLC		
Well Name & Number	Bitter C	reek 12-23-44-25	
API Number:	43-047-38357		
Lease:	UTU-77531		· · ··
Location: SE SE	Sec. 25	T. <u>12 South</u>	<b>R.</b> 23 East

#### **Conditions of Approval**

#### 1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

#### 2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dan Jarvis at (801) 538-5338

#### 3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

# COMBUNICA

# STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL GAS AND MINING

DIVISION OF OIL, GAS AND MINING	5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77531				
SUNDRY NOTICES AND REPORTS OF					
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bott drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for s	om-hole depth, reenter plugged wells, or to uch proposals.  7. UNIT or CA AGREEMENT NAME:  n/a				
1. TYPE OF WELL OIL WELL GAS WELL OTHER	Bitter Creek 12-23-44-25				
2. NAME OF OPERATOR: Enduring Resources, LLC	9. API NUMBÉR: 4304738357				
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 8020	PHONE NUMBER: 10. FIELD AND POOL, OR WILDCAT: Undesignated				
4. LOCATION OF WELL  FOOTAGES AT SURFACE: 505' FSL - 753' FEL	соимту: Uintah				
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESE 25 12S 23E	S STATE: UTAH				
11. CHECK APPROPRIATE BOXES TO INDICATE NA	ATURE OF NOTICE, REPORT, OR OTHER DATA				
TYPE OF SUBMISSION	TYPE OF ACTION  REPERFORATE CURRENT FORMATION				
NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  Approximate date work will start:  CASING REPAIR	FRACTURE TREAT  SIDETRACK TO REPAIR WELL  NEW CONSTRUCTION  TEMPORARILY ABANDON				
CHANGE TO PREVIOUS PLANS  CHANGE TUBING	OPERATOR CHANGE TUBING REPAIR  PLUG AND ABANDON VENT OR FLARE				
SUBSEQUENT REPORT CHANGE WELL NAME	PLUG BACK WATER DISPOSAL				
Date of work completion:  CHANGE WELL STATUS  COMMINGLE PRODUCING FORMATIONS  CONVERT WELL TYPE	PRODUCTION (START/RESUME)  RECLAMATION OF WELL SITE  RECOMPLETE - DIFFERENT FORMATION  WATER SHUT-OFF  OTHER: Request for APD  Extension				
DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill					
FROM: 7/12/2007 TO: 7/12/2008	Approved by the Utah Division of Dil, Gas and Mining				
Date By:	COPY SENT TO OPERATOR Doile: 7-12-07 Inition: PM				
NAME (PLEASE PRINT) Evette Bissett	TITLE Regulatory Affairs Assistant				
SIGNATURE Light Bisset	DATE 7/9/2007				

(This space for State use only)

RECEIVED JUL 1 2 2007

# Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304738357  Well Name: Bitter Creek 12-23-44-25  Location: 505' FSL - 753' FEL, SESE, Sec 25, T12S-R23E  Company Permit Issued to: Enduring Resources, LLC  Date Original Permit Issued: 7/12/2006
The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.
Following is a checklist of some items related to the application, which should be verified.
If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes □ No □
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes□No☑
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes□No☑
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes□No ☑
Has the approved source of water for drilling changed? Yes□No☑
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes□No☑
Is bonding still in place, which covers this proposed well? Yes ☑No□
Gutto Bissett 7/9/2007
Signature Date
Title: Regulatory Affairs Assistant
Representing: Enduring Resources, LLC

RECEIVED
JUL 1 2 2007
DIV. OF OIL, GAS & MINING

Form 3160-3 (April 2004)

## RECEIVED

FORM APPROVED OMB No. 1004-0137 Expires March 31, 2007

Lease Serial No.

UNITED STATES DEPARTMENT OF THE INTERIOR JUL 0 3 2003

BUREAU OF LAND MANA	UTU-77531	UTU-77531			
APPLICATION FOR PERMIT TO D	6. If Indian, Allote N/A	6. If Indian, Allotee or Tribe Name N/A			
la. Type of work: DRILL REENTER	7 If Unit or CA Agr N/A	7 If Unit or CA Agreement, Name and No.			
lb. Type of Well: ☐Oil Well ☐Other		8. Lease Name and Well No. Bitter Creek 12-23-44-25			
2. Name of Operator Enduring Resources, LLC		9. API Well No. 니구- 0 니	1-38357		
3a. Address 475 17th Street, Suite 1500 Denver, CO 80202 38	10. Field and Pool, or Wildcat	10. Field and Pool, or Exploratory			
4. Location of Well (Report location clearly and in accordance with any S	11. Sec., T. R. M. or	11. Sec., T. R. M. or Blk. and Survey or Area			
At surface 505' FSL - 753' FEL SESE At proposed prod. zone Same	Sec 25 T12S	Sec 25 T12S R23E S.L.B.&M.			
14. Distance in miles and direction from nearest town or post office*	12. County or Parish	13. State			
19.6 miles Southwest of Bonanza, Utah	Uintah	UT			
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	6. No. of acres in lease	<ul><li>17. Spacing Unit dedicated to this</li><li>40 acres</li></ul>	Spacing Unit dedicated to this well  40 acres		
to nearest well, drilling, completed.	19. Proposed Depth	20. BLM/BIA Bond No. on file			
applied for, on this lease, ft. 1000'+	6421'	BLM - UTB000173	- UTB000173		
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6513' RT-KB	<ol> <li>Approximate date work will star 08/01/2006</li> </ol>	t* 23. Estimated durati 20 days	23. Estimated duration 20 days		
	24. Attachments				
The following, completed in accordance with the requirements of Onshore	Oil and Gas Order No.1, shall be at	tached to this form:			
<ol> <li>Well plat certified by a registered surveyor.</li> <li>A Drilling Plan.</li> </ol>	Item 20 above).	ne operations unless covered by a	n existing bond on file (see		
<ol> <li>A Surface Use Plan (if the location is on National Forest System La SUPO shall be filed with the appropriate Forest Service Office).</li> </ol>		specific information and/or plans	as may be required by the		
25. Signature	Name (Printed Typed)		Date		
MACE	Alvin R. (Al) Arlian		06/28/2006		
Title  Landman - Regulatory Specialist					
Approved by (Signature)	Name (Printed/Typed)		Date		
A Kenyh	JERRY KENCKA	j	3-4-2008		
Title Assistant Field Manager	Office	IELD OFFICE			
Lands & Mineral Resources Application approval does not warrant or contify that the applicant holds I			entitle the applicant to		
explaneation abbroad does not marrant or best best wife the called an entire in	Seed of collinaries in the of the see using	o week and come apparation Monto	Furne of Hills and the Control of th		

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

conduct operations thereon.

Conditions of approval, if any, are attached

RECEIVED MAR 1 0 2008

NOTICE OF APPROVAL

DIV. OF OIL, GAS & MINING



NOS05/22/06



# UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIFE D OFFICE

VERNAL FIELD OFFICE VERNAL, UT 84078

(435) 781-4400



#### CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Enduring Resources, LLC	Location:	SESE Lot 1, Sec. 25, T12S, R23E
Well No:	Bitter Creek 12-23-44-25	Lease No:	UTU-77531
API No:	43-047-38357	Agreement:	N/A

Title	Name	Office Phone Number	Cell Phone Number
Petroleum Engineer:	Matt Baker	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Michael Lee	(435) 781-4432	(435) 828-7875
Petroleum Engineer:	James Ashley	(435) 781-4470	(435) 828-7874
Petroleum Engineer:	Ryan Angus	(435) 781-4430	(435) 828-7368
Supervisory Petroleum Technician:	Jamie Sparger	(435) 781-4502	(435) 828-3913
NRS/Enviro Scientist:		(435) 781-4475	(435) 828-4029
Supervisory NRS/Enviro Scientist:	Karl Wright	(435) 781-4484	(435) 828-7381
NRS/Enviro Scientist:	Holly Villa	(435) 781-4404	
NRS/Enviro Scientist:		(435) 781-4476	
NRS/Enviro Scientist:	Chuck Macdonald	(435) 781-4441	(435) 828-7481
NRS/Enviro Scientist:		(435) 781-3400	(435) 828-3544
NRS/Enviro Scientist:	Michael Cutler	(435) 781-3401	(435) 828-3546
NRS/Enviro Scientist:	Anna Figueroa	(435) 781-3407	(435) 828-3548
NRS/Enviro Scientist:	Verlyn Pindell	(435) 781-3402	(435) 828-3547
NRS/Enviro Scientist:	Darren Williams	(435) 781-4447	-
NRS/Enviro Scientist:	Nathan Packer	(435) 781-3405	(435) 828-3545
		Fax: (435) 781-3420	

## A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

#### **NOTIFICATION REQUIREMENTS**

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion	-	Prior to moving on the drilling rig.
(Notify Environmental Scientist)		
Spud Notice	-	Twenty-Four (24) hours prior to spudding the well.
(Notify Petroleum Engineer)		
Casing String & Cementing	-	Twenty-Four (24) hours prior to running casing and
(Notify Supv. Petroleum Tech.)		cementing all casing strings.
BOP & Related Equipment Tests	-	Twenty-Four (24) hours prior to initiating pressure tests.
(Notify Supv. Petroleum Tech.)		
First Production Notice	_	Within Five (5) business days after new well begins or
(Notify Petroleum Engineer)		production resumes after well has been off production for more than ninety (90) days.

#### SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

This well is located within the Resource Development Group (RDG) EIS project boundary, any additional mitigation or COA's approved in the Final RDG EIS Record of Decision are also applicable to approval of this proposed action.

#### **Stipulations**

 The lessee/operator is given notice that the area has been identified as containing crucial deer winter range. Winter usage of the range may occur from November 1 through March 31.
 Modifications including seasonal restrictions may be required to the Surface Use Plan of Operations in order to protect the winter range. This does not apply to operation and maintenance of producing wells. This notice may be waived, excepted, or modified by the authorized officer if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

#### Mitigation

- Threatened and Endangered Fish Mitigation for Water Supply
  - 1. The best method to avoid entrainment is to pump from an off-channel location one that does not connect to the river during high spring flows. An infiltration gallery constructed in a BLM and Service approved location is best.
  - 2. If the pump head is located in the river channel where larval fish are known to occur, the following measures apply:
    - a. do not situate the pump in a low-flow or no-flow area as these habitats tend to concentrate larval fishes:
    - b. limit the amount of pumping, to the greatest extent possible, during that period of the year when larval fish may be present (see above); and
    - c. limit the amount of pumping, to the greatest extent possible, during the pre-dawn hours as larval drift studies indicate that this is a period of greatest daily activity.
  - 3. Screen all pump intakes with 1/4" mesh material.
  - 4. Report any fish impinged on the intake screen to the Service (801.975.3330) and the Utah Division of Wildlife Resources:

#### Northeastern Region

152 East 100 North, Vernal, UT 84078

Phone: (435) 781-9453

Page 3 of 9 Well: Bitter Creek 12-23-44-25 1/16/2008

#### **Conditions of Approval:**

- No drilling of wells or construction will be allowed on BLM-administered land within the
  Resource Development Group (RDG) EIS project boundary, that is designated crucial mule
  deer winter range or Utah Division of Wildlife Resources identified critical mule deer winter
  range from January 1 through March 1, as allowed by 43 CFR 3101.1-2. A waiver, exception,
  or modification may be granted by the AO.
- This project is within the RDG EIS area and is also within big game wintering habitat. If the
  proposed work results in a loss of big sagebrush habitat this loss will need to be mitigated by
  the operator contributing to a habitat improvement project. The compensation requires 1.5
  acres of habitat improvement to each acre of big sagebrush habitat disturbed. Contact the AO
  for specific on-site or off-site mitigation projects.
- Prior to water disposal, submit Sundry Notice Form 3160-5 specifying Approved Water Disposal facilities to be used in conjunction with Proposed Action.
- If Uinta Basin hookless cactus, White River beardtongue, Graham's beardtongue or other special status plants are found, construction shall cease and the AO shall be notified to determine the appropriate mitigation.
- The operator shall control noxious weeds along access road use authorizations, pipeline route authorizations, rights-of-way, well sites, or other applicable facilities by spraying or mechanical removal. A list of noxious weeds may be obtained from the BLM weeds specialist or the appropriate County Extension Office. On BLM administered land, it is required that a Pesticide Use Proposal (PUP) be submitted and approved prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- All traffic related to this action shall be restricted to approved routes. Cross-country vehicle travel will not be allowed.
- No vehicle travel, construction or routine maintenance activities shall be performed during
  periods when the soil is too wet to adequately support vehicles and/or construction equipment.
  If such equipment creates ruts in excess of four inches deep, the soil shall be deemed too wet
  to adequately support construction equipment.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches or etc. shall be needed to control the erosion. Low-water crossings shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Pipelines shall be buried at all major drainage crossings.

Page 4 of 9 Well: Bitter Creek 12-23-44-25

1/16/2008

- Prevent fill and stock piles from entering drainages.
- The reserve pit shall be lined with 16 ml or greater liner to prevent pit leakage and at least one felt liner (double felt as need to prevent pit leakage) prior to spudding.
- All open pits shall be properly fenced and maintained during operations and until the pits are backfilled. When the reserve pit contains fluids or toxic substances, the operator must ensure that animals do not ingest or become entrapped in pit fluids.
- The reserve pit shall be free of oil and other liquids and solid wastes, allowed to dry, be pumped dry, or solidified in-situ prior to backfilling. The reserve pit must not be "squeezed", (filled with soil while still containing fluids) or cut (puncturing the pit liner while still containing fluids to allow pit fluids to drain from the pit).
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.
- All permanent facilities, not regulated by OSHA, shall be painted the same color, **Olive Black** (5WA20-6); within six months of installation.
- During construction the topsoil from the location shall be stripped and windrowed separately from the other excess material. The topsoil windrows shall be re-seeded using the interim seed mix and track walked or drag chained at the time the location is constructed. The topsoil removed from the pit area shall be stored separately and will not be re-seeded until the pit is reclaimed. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, and the area shall be seeded using the interim seed mix listed below.
- All boulders with a length or diameter greater than 3 feet, that are found showing at the surface, shall be stockpiled for use during final reclamation.
- Upon well completion, the well pad location up to the deadmen, shall be recontoured to the
  approximate natural contours and the stockpiled topsoil shall be spread evenly over the
  reclaimed area and then re-seeded using the interim seed mix.

#### Reclamation:

Interim seed mix:		
Hy-crest Crested Wheatgras	s Agropyron cristatum	4 lbs/acre
Squirreltail grass	Elymus elymoides	4 lbs/acre
Western Wheatgrass	Agropyron smithii	4 lbs/acre
Wyoming Big Sagebrush	Artemisia tridentata var. wyomingensis	½ lbs/acre
Final reclamation seed mix:		

Hy-crest Crested Wheatgrass Agropyron cristatum 4 lbs/acre
Squirreltail grass Elymus elymoides 4 lbs/acre
Western Wheatgrass Agropyron smithii 4 lbs/acre
Wyoming Big Sagebrush Artemisia tridentata var. wyomingensis ½ lbs/acre

- All pounds are in pure live seed.
- All seed and mulch shall be certified weed free.
- Drill seeding is the preferred method.

Page 5 of 9 Well: Bitter Creek 12-23-44-25 1/16/2008

- Rates are set for drill seeding; double the rate if broadcasting.
- If broadcasting seed: The seed shall be walked into the soil with a dozer immediately after the seeding is completed, or covered by soil using a drag chain.
- Reseeding shall be required if initial seeding is not successful.
- Once the location is plugged and abandoned, the well location and access road shall be recontoured to the natural topography, topsoil shall be respread, and the entire location and access road shall be seeded with the final reclamation seed mix. Seed application shall follow all guidelines in the final reclamation seed mix bullet statement above. If reclamation seeding should take place using the broadcast method, the seed at a minimum shall be walked into the soil with a dozer, immediately after the seeding is completed, or covered by soil using a drag chain.

Page 6 of 9 Well: Bitter Creek 12-23-44-25

1/16/2008

#### DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

#### SITE SPECIFIC DOWNHOLE COAs:

A formation integrity test shall be performed at the surface casing shoe.

#### Surface site specific COA

• Operator must notify any active gilsonite operation within 2 miles of the location 48 hrs prior to any blasting associated with this well.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

#### DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the
  daily drilling report. Components shall be operated and tested as required by Onshore Oil &
  Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be
  performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be
  reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water
  is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM
  Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth

Page 7 of 9 Well: Bitter Creek 12-23-44-25

1/16/2008

(from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
   Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum
   Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT\_VN\_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

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1/16/2008

#### **OPERATING REQUIREMENT REMINDERS:**

 All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be
  notified when it is placed in a producing status. Such notification will be by written
  communication and must be received in this office by not later than the fifth business day
  following the date on which the well is placed on production. The notification shall provide, as a
  minimum, the following informational items:
  - o Operator name, address, and telephone number.
  - Well name and number.
  - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
  - Date well was placed in a producing status (date of first production for which royalty will be paid).
  - o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
  - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
  - o Unit agreement and/or participating area name and number, if applicable.
  - o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will
  be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be
  reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major
  Events" will be reported in writing within 15 days. "Minor Events" will be reported on the
  Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or

Page 9 of 9 Well: Bitter Creek 12-23-44-25 1/16/2008

data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted
  to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs
  first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be
  adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively
  sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering
  lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of
  a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval
  may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
  equipment shall be removed from a well to be placed in a suspended status without prior
  approval of the BLM Vernal Field Office. If operations are to be suspended for more than 30
  days, prior approval of the BLM Vernal Field Office shall be obtained and notification given
  before resumption of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

## STATE OF UTAH DEPARTMENT OF NATURAL RESOURCE CONFIDENTIAL

1	DIVISION OF OIL, GAS AND MINING		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-77531		
SUNDRY	SUNDRY NOTICES AND REPORTS ON WELLS				
Do not use this form for proposals to drill no drill horizontal la	epth, reenter plugged wells, or to	7. UNIT or CA AGREEMENT NAME:  n/a			
1. TYPE OF WELL OIL WELL			8. WELL NAME and NUMBER:		
2. NAME OF OPERATOR:			Bitter Creek 12-23-44-25		
Enduring Resources, LLC			4304738357		
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY	Denver STATE CO ZIP 80202	PHONE NUMBER: (303) 350-5114	10. FIELD AND POOL, OR WILDCAT: Undesignated		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 505' F	21 752 EEI		соилту: Uintah		
FOOTAGES AT SURFACE: 303 FA	SC- 795 FEL	•	COUNTY: OITEATT		
QTR/QTR, SECTION, TOWNSHIP, RAN	GE, MERIDIAN: SESE 25 12S 23E S		STATE: <b>UTAH</b>		
11. CHECK APPF	ROPRIATE BOXES TO INDICATE NATURE	OF NOTICE, REPOR	T, OR OTHER DATA		
TYPE OF SUBMISSION		TYPE OF ACTION			
NOTICE OF INTENT	ACIDIZE DEEPEN		REPERFORATE CURRENT FORMATION		
(Submit in Duplicate)	ALTER CASING FRACTUR	E TREAT	SIDETRACK TO REPAIR WELL		
Approximate date work will start:	CASING REPAIR NEW CON	ISTRUCTION	TEMPORARILY ABANDON		
	CHANGE TO PREVIOUS PLANS OPERATO	OR CHANGE	TUBING REPAIR		
	CHANGE TUBING PLUG AND	DABANDON	VENT OR FLARE		
SUBSEQUENT REPORT (Submit Original Form Only)	CHANGE WELL NAME PLUG BAC	Ж	WATER DISPOSAL		
Date of work completion:	CHANGE WELL STATUS PRODUCT	TION (START/RESUME)	WATER SHUT-OFF		
	COMMINGLE PRODUCING FORMATIONS RECLAMA	TION OF WELL SITE	✓ OTHER: Request for APD		
	CONVERT WELL TYPE RECOMPL	LETE - DIFFERENT FORMATION	Extension		
Enduring Resources, LLC respectfully request an extension to the expiration date of this Application for Permit to Drill  FROM: 7/12/2008 TO: 7/12/2009  Approved by the Utah Division of Oil, Gas and Mining  Date: 07-14-06  By: Copy Sent to Operator Date: 1:15-2008					
NAME (PLEASE PRINT) _ Alvin R. (A	λl) Arlian τπ	Landman	Initials: <u>VS</u>		
SIGNATURE	DA	TE 6/25/2008			

(This space for State use only)

RECEIVED
JUL 1 0 2008



#### Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

	4304738357 Bitter Creek 12-23-44-25	
Location:	505' FSL - 753' FEL, SESE, Sec 25, 3	Г12S-R23E
	mit Issued to: Enduring Resour	
	Permit Issued: 7/12/2006	
above, hereby	ed as owner with legal rights to verifies that the information as ication to drill, remains valid an	drill on the property as permitted submitted in the previously d does not require revision.
Following is a verified.	checklist of some items related	to the application, which should be
	rivate land, has the ownership o en updated? Yes⊟No⊟	changed, if so, has the surface
	s been drilled in the vicinity of the siting requirements for this loca	ne proposed well which would affect ation? Yes⊡ No☑
Has there bee permitting or o	n any unit or other agreements peration of this proposed well?	put in place that could affect the Yes⊡No☑
Have there be of-way, which	en any changes to the access r could affect the proposed locat	route including ownership, or right- ion? Yes⊟No☑
Has the appro	ved source of water for drilling	changed? Yes□No☑
Have there be which will requevaluation? Ye	ıire a change in plans from wha	surface location or access route t was discussed at the onsite
Is bonding still	in place, which covers this pro	posed well? Yes⊠No□
alle e	met	6/25/2008
Signature		Date
Title: Administ	rative Assistant	
Representing:	Enduring Resources, LLC	
		RECEIVED
		JUL 1 0 2008

	STATE OF UTAH	056	FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-77531
SUNDRY NOTICES AND REPORTS ON WELLS			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepe ugged wells, or to drill horizontal laterals.		
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: BITTER CREEK 12-23-44-25
2. NAME OF OPERATOR: Enduring Resources, LLC			9. API NUMBER: 43047383570000
<b>3. ADDRESS OF OPERATOR:</b> 475 17th Street, Suite 1500,	Denver, CO, 80202 303	PHONE NUMBER: 3 350-5114 Ext	9. FIELD and POOL or WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0505 FSL 0753 FEL QTR/QTR, SECTION, TOWNSH	IP, RANGE, MERIDIAN:		COUNTY: UINTAH STATE:
	Township: 12.0S Range: 23.0E Meridian:	S	UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICA	ATE NATURE OF NOTICE,	REPORT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACT	ON
	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION MPLETED OPERATIONS. Clearly show all p		NEW CONSTRUCTION   PLUG BACK   RECOMPLETE DIFFERENT FORMATION   TEMPORARY ABANDON   WATER DISPOSAL   ✓ APD EXTENSION   OTHER:
			Date: July 15, 2009  By:
NAME (PLEASE PRINT) Alvin Arlian	<b>PHONE NUMBE</b> 303 350-5114	R TITLE Landman-Regulator	,
SIGNATURE N/A		<b>DATE</b> 7/14/2009	



#### The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

**Electronic Permitting System - Sundry Notices** 

#### Request for Permit Extension Validation Well Number 43047383570000

**API:** 43047383570000

Well Name: BITTER CREEK 12-23-44-25

Location: 0505 FSL 0753 FEL QTR SESE SEC 25 TWNP 120S RNG 230E MER S

Company Permit Issued to: ENDURING RESOURCES, LLC

**Date Original Permit Issued: 7/12/2006** 

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

irre revision. Following is a checklist of some items related to the application, which should be verified.
<ul> <li>If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes No</li> </ul>
<ul> <li>Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes</li> <li>No</li> </ul>
<ul> <li>Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?</li> <li>Yes</li> <li>No</li> </ul>
<ul> <li>Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?</li> <li>Yes</li> <li>No</li> </ul>
• Has the approved source of water for drilling changed?   Yes  No
<ul> <li>Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No</li> </ul>
• Is bonding still in place, which covers this proposed well?   • Yes   • No Utah Division of

**Signature:** Alvin Arlian **Date:** 7/14/2009

Title: Landman-Regulatory Representing: ENDURING RESOURCES, LLC Date: July 15, 2009

Bv:

Oil, Gas and Mining

### United States Department of the Interior



#### BUREAU OF LAND MANAGEMENT

Green River District-Vernal Field Office 170 South 500 East Vernal UT 84078 (435) 781-4400 Fax: (435) 781-4410 http://www.blm.gov/ut/st/en/fo/vernal.html



IN REPLY REFER TO: 3160 UTG011

March 24, 2010

Alvin R. (Al) Arlian Enduring Resources, LLC 475 17th Street, Suite 1500 Denver, CO 80202

Notice of APD/Lease Expiration Re: Well No. Bitter Creek 12-23-44-25 Lot 1, Sec. 25, T12S, R23E Uintah County, Utah

Lease No. UTU-77531

#### Dear Mr. Arlian:

The original Application for Permit to Drill (APD) for the above referenced well was approved on March 4, 2008. A two (2) year extension of the original APD was requested on February 1. 2010 and approved in error by this office March 18, 2010. However, Federal Lease UTU-77531 expired by its own terms and conditions on September 30, 2008, and the case was closed at the BLM Utah State Office on January 12, 2009. Since the lease expired, the original APD simultaneously became invalid prior to its extension. Therefore, the APD extension approved on March 18, 2010 is hereby rescinded. Please be advised, the well referenced above shall not be drilled.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact me at (435) 781-4502.

Sincerely.

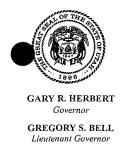
James H. Sparger

Acting Assistant Field Manager Lands & Minerals Resources

APR 0 1 2010

DIV. OF OIL, GAS & MINISPO

**UDOGM** CC:



### State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 14, 2010

Al Arlian Enduring Resources, LLC 475 17<sup>TH</sup> Street Ste 1500 Denver, CO 80202

Re: <u>APD Rescinded – Bitter Creek 12-23-44-25, Sec. 25 T.12S, R. 23E</u>

Uintah County, Utah API No. 43-047-38357

Dear Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 12, 2006. On July 12, 2007, July 14, 2008 and July 15, 2009, the Division granted a one-year APD extension. On July 14, 2010, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 14, 2010

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

**Environmental Scientist** 

cc: Well File

Bureau of Land Management, Vernal

